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NRC Manual 4151
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UNITED STATES NUCLEAR REGULATORY COMMISSION
NRC MANUAL

BULLETIN

NO. 4151-238

DATE: August 13, 1990

SUBJECT: NON-SES PERFORMANCE APPRAISAL SYSTEM

This Bulletin establishes the requirement for Office Directors and Regional Administrators to certify to the Office of Personnel at the beginning of each performance appraisal period that all employees within their organizations have performance plans in place. It also requires supervisors to meet individually with each employee when developing performance plans, and to document a mid-year progress review meeting with each employee. The requirement for supervisors to meet individually with employees to discuss their ratings has already been established.

The following additions to the Chapter and Appendix will be incorporated at the next full Chapter revision.

CHAPTER

034 Directors of Offices and Regional Administrators

- i. Certify in writing to the Office of Personnel by November 1 of each year that all employees have performance plans in place. In instances where delays in establishing performance plans occur, the certification will provide the date performance plans will be put in place.

APPENDIX

NRC Appendix 4151, Part I


- D. 3. Progress Review A progress review will be held each year generally in March for all employees who have served at least 120 calendar days under a performance plan by that time. Supervisors will meet with each employee individually to discuss the employee's performance as related to the established performance plan. The supervisor and the employee will document that the mid-year progress review has been completed by signing and dating section 2 of NRC Form 412A.

72.01

Progress reviews are not required for employees who have not served 120 or more calendar days under performance plans by their last workday in March. The progress review is not grievable.

NRC Appendix 4151, Part II

- B. 1. Employee participation To encourage employee participation and to help ensure a better understanding of the performance plan between the supervisor and the employee, supervisors will meet individually with each employee when developing performance plans. Employee participation can take place in a number of ways, including but not limited to: employee and supervisor developing a plan together; the employee providing the supervisor a draft plan; the employee commenting on a draft plan provided by the supervisor; or the supervisor obtaining information from a sample of employees who perform similar jobs.
- B. 12. Certification of Performance Plans By November 1 of each year, each Office Director and Regional Administrator will certify in writing to the Director, Office of Personnel, that all employees have performance plans in place. In instances where delays in establishing performance plans occur, the certification will provide the date performance plans will be put in place. Certifications will include the names of employees for whom performance plans have not been established and a brief explanation of why a performance plan is not in place.

for 
Paul E. Bird, Director
Office of Personnel

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UNITED STATES NUCLEAR REGULATORY COMMISSION
NRC MANUAL

BULLETIN

NO. 4151 - 170

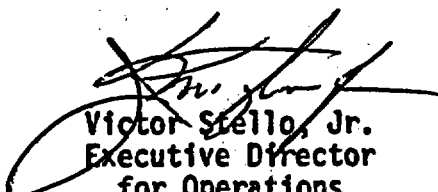
DATE: June 5, 1987

SUBJECT: REVISION IN DELEGATIONS OF AUTHORITY

1. Purpose: This Bulletin revises responsibilities and delegations of authority, published in Bulletin 4151-135, to conform with the NRC reorganization, effective April 12, 1987. These changes will be reflected in the next revision of Chapter 4151.
2. Generic Change: In 038 and throughout, references to the Director, Division of Organization and Personnel, should be construed as references to the Director, Office of Personnel.
3. Specific Changes: Revised responsibilities are listed below.

| <u>Citations</u> | <u>Function</u> | <u>From</u> | <u>To</u> |
|------------------------------|---|--|-------------------------------------|
| 033 a.; 034 f. | Approves exceptions. | Director, Office of Administration | Director, Office of Personnel |
| 033 b.; Part II B.10. | Approves positions which do not require a reviewing official. | Director, Office of Administration | Director, Office of Personnel |
| 033 c.; Part II G.2.d. | Insures performance awards are reviewed for budgetary consideration. | Director, Office of Administration | Director, Office of Personnel |

| <u>Citations</u> | <u>Function</u> | <u>From</u> | <u>To</u> |
|------------------|-----------------------------------|--|-------------------------------------|
| 039 | Develops and provides performance | Director, Management Development and Training Staff | Director, Office of Personnel |



Victor Stello, Jr.
Executive Director
for Operations

U. S. NUCLEAR REGULATORY COMMISSION
NRC MANUAL
TRANSMITTAL NOTICE

NRC APPENDIX 4151 NON-SES PERFORMANCE APPRAISAL SYSTEM

SUPERSEDED:

| | Number | Date |
|----------|----------------|---------|
| Chapter | _____ | _____ |
| Page | _____ | _____ |
| | _____ | _____ |
| Appendix | NRC 4151 | |
| | PART II (9,10) | 10/1/86 |

TRANSMITTED:

| | Number | Date |
|----------|----------------|---------|
| TN | 4100-129 | _____ |
| Chapter | _____ | _____ |
| Page | _____ | _____ |
| | _____ | _____ |
| Appendix | NRC 4151 | |
| | PART II (9,10) | 9/29/89 |

REMARKS:

Please remove pages 9 and 10, dated October 1, 1986, from NRC Appendix 4151, Part II, and insert new pages 9 and 10.

This revision adds to paragraph 7. the requirement for managers and supervisors to deal effectively with differing professional views or opinions and with procurement/contract responsibilities.

TO ALL EMPLOYEES

**Published in advance of incorporation in
NRC Manual Chapter 4151
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**UNITED STATES NUCLEAR REGULATORY COMMISSION
NRC MANUAL**

BULLETIN

NO. 4151 -150

DATE: March 27, 1987

**SUBJECT: NON-SES PERFORMANCE APPRAISAL SYSTEM MODIFICATION DUE TO APRIL
REORGANIZATION**

This Bulletin provides special performance appraisal procedures for NRC non-SES employees in offices reporting to the EDO during the FY-87 and FY-88 appraisal periods. This one-time change is designed to streamline procedures and facilitate the assignment of fair and equitable ratings during a period of major organizational change. The provisions of this Bulletin are effective through September 30, 1988, at which time all NRC employees will again be subject to the normal procedures described in Bulletin No. 4151-135, dated October 1, 1986, subject, Non-SES Performance Appraisal System.

The following procedures apply:

1. If an employee has worked a minimum of 120 days under a performance plan (elements and standards) during the appraisal period, the appraisal period for that employee shall end on March 31, 1987. During the month of April 1987, the employee shall be given a rating of record for his/her performance between October 1, 1986, and March 31, 1987. That rating will be the employee's annual rating of record for all purposes for the 1986-1987 appraisal period. A new extended appraisal period for these employees will begin on April 1, 1987, and will end on September 30, 1988.
2. If, for any reason, an employee did not work under a performance plan for a minimum of 120 calendar days during the appraisal period of October 1, 1986, through March 31, 1987, his/her appraisal period shall be extended or the employee shall be given a new performance plan, as appropriate. When the employee has worked under a performance plan for 120 calendar days, the appropriate rating/reviewing officials shall rate him/her.

That rating will be the employee's annual rating of record for all purposes for the FY-87 appraisal period. The employee's new appraisal period will begin on the day following the end of his/her 120 day appraisal period and will end on September 30, 1988.

A handwritten signature in black ink, appearing to read "Victor Stello, Jr.", written in a cursive style.

Victor Stello, Jr.
Executive Director for Operations

TO ALL EMPLOYEES

Published in advance of incorporation in
NRC Manual Chapter 4151

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UNITED STATES NUCLEAR REGULATORY COMMISSION
NRC MANUAL

BULLETIN

NO. 4151-135

DATE: October 1, 1986

SUBJECT: NON-SES PERFORMANCE APPRAISAL SYSTEM

Purpose:

This Bulletin publishes the new non-SES performance appraisal system to comply with new Office of Personnel Management (OPM) regulations. OPM has approved NRC's Performance Management Plan, including this issuance. Bulletin format is used because negotiations with the National Treasury Employees Union are not completed and management may decide to revise the system subsequent to negotiations. Any negotiated or management-initiated changes affecting provisions covered by regulation or law will again require prior OPM approval.

This Bulletin supersedes Chapter and Appendix 4151 dated April 12, 1982, and May 30, 1984, as well as NRC Bulletin 4151-70, dated May 29, 1981.

Coverage:

The provisions of this Bulletin apply to all employees as stated in 4151-01.

Effective Date:

The effective date of this Bulletin is October 1, 1986, as required by OPM regulation. After September 30, 1986, all performance plans, including those carried forward from the old system, should be created or revised to include at least three but no more than six critical elements. Non-critical elements should not be used.

Interim Forms:


Interim Forms 412A, to document employee's performance plans for the appraisal period beginning October 1, 1986, are available in supply rooms. (See Announcement No. 130, dated September 4, 1986, subject, Employee Performance Appraisals (Non-SES), for further information.) NRC Form 412, needed to complete summary ratings, will be provided as soon as possible after this performance appraisal system is final.

CHAPTER 4151
SUMMARY OF CHANGES
Major Changes are Summarized Below.

| <u>Chapter Citation</u> | <u>Change</u> |
|--------------------------------|---|
| 4151-021 | Regulatory objectives are listed. |
| -037 Part II.B.10. and D.9. | The reviewing official may change and must approve ratings given by the employee's supervisor before the rating is communicated to the employee. |
| Appendix | |
| Part I.B. | New regulatory definitions are added and used appropriately throughout. |
| Part I.C.1. | Covered employees must be rated if they have served in a position within the NRC for 120 calendar days during the appraisal period. |
| Part I.C.2. | Employees must be rated when they leave positions in which they have worked 120 calendar days or more. |
| Part I.C.3. | Work under a detail or temporary promotion of 120 calendar days or more must be rated and that rating considered when the next rating of record is made. |
| Part I.C.4. | Within-grade increase determinations must be supported by the most recent rating of record. |
| Part I.C.5. Part II.K.5 | An employee's most recent rating of record plus the ratings of record for the prior two years are transferred when an employee moves to another agency or servicing personnel office. |
| Part I.D.3. | A mid-year progress review is required informing employees of their level of performance by comparison with the performance plans established for their positions. |
| Part II.B.5. | Only critical elements are used and are limited to at least three but no more than six for any performance plan. (The use of non-critical elements is no longer authorized.) |
| Part II.D.1. | The normal rating period is from October 1 to September 30. Supervisors are given the month of October to finalize ratings. |

- Part II.D.3. Individual elements are rated by using one of the five following ratings and are assigned concurrently the appropriate numeric equivalent to that rating.
- | | | |
|----------------------|------|-----|
| Outstanding | {O} | - 4 |
| Excellent | {E} | - 3 |
| Fully Successful | {FS} | - 2 |
| Minimally Successful | {MS} | - 1 |
| Unacceptable | {U} | - 0 |
- NOTE addition of MS Rating
- Part II.D.7 Procedures for determining summary ratings are changed.
- Part II.G.2. Performance Awards are described. These awards replace the former Sustained Superior Performance Awards previously described in Chapter 4154, Incentive Awards.
- Part II.G.3 Incentive Awards - See NRC Chapter and Appendix 4154.
- Part II.G.4 An employee's most recent rating of record must be Fully Successful or Higher for him/her to be eligible for a within-grade increase.
- Part II.G.5 High-quality increases are now a part of this Chapter and Appendix and have been removed from Chapter 4154, Incentive Awards.
- Part II.G.6. An employee's most recent summary rating must be at least Fully Successful for him/her to be considered for noncompetitive career promotion. No employee may receive a career ladder promotion if he/she is rated below Fully Successful on a critical element that is also critical to performance at the next higher grade of the career ladder.
- Part II.G.8. Supervisors must provide assistance to employees rated below Fully Successful in an effort to bring performance up to the Fully Successful level.
- Part II.G.9. When a supervisor deems that an employee's performance is Unacceptable in one or more critical element, he/she must provide the employee with an opportunity period in which to demonstrate

acceptable performance. If performance does not improve, action to reassign, reduce in grade or remove must follow.


Patricia G. Norry, Director
Office of Administration

Attachment:
NRC-4151 and Appendix

U.S. NUCLEAR REGULATORY COMMISSION
NRC MANUAL

Volume: 4000 Personnel
Part : 4100 Federal

PER

CHAPTER 4151 NON-SES PERFORMANCE APPRAISAL SYSTEM

4151-01 COVERAGE

This chapter implements 5 U.S.C. 43 and Part 430 of the Office of Personnel Management regulations. All NRC employees are covered by this performance appraisal system except members of the Senior Executive Service (covered by Chapter 4152); administrative law judges appointed under 5 U.S.C. 3105; Presidential appointees; those occupying Noncareer Executive Assignment positions under 5 CFR 305, and those occupying positions excluded from coverage by statute regulation, or special exception of the Office of Personnel Management (OPM). (See also 051 below.) Bargaining unit employees are covered by provisions of this chapter and appendix except where there is specific conflict with or modification by the Collective Bargaining Agreement, in which case the Agreement shall govern.

4151-02 OBJECTIVES

021 To integrate performance, pay and awards systems with NRC's management functions for the purpose of improving organizational effectiveness in the accomplishment of Agency missions.

022 To execute basic management and supervisory responsibilities.

023 To communicate and clarify Agency goals and objectives.

024 To identify individual accountability for the accomplishment of organizational goals and objectives.

025 To evaluate and improve individual and organizational accomplishments.

026 To use the results of performance appraisal as a basis for adjusting basic pay and determining performance awards, training, reassigning, promoting, reducing in grade, retaining and removing employees.

027 To provide appropriate incentives and recognition, through performance awards, for high level performance and high quality increases for sustained outstanding performance, and to ensure that employees earn advancement in pay to the next higher step in their grade levels.

Approved: October 1, 1986

4151-03 RESPONSIBILITIES AND AUTHORITIES

031 The Chairman:

- a. approves exceptions to performance awards scales (see Exhibit A) but not to exceed 15 percent of base salary: (1) above \$2,000 but not to exceed \$10,000 for all employees in Commission-level offices; and (2) above \$7,500 but not to exceed \$10,000 for all other employees.
- b. submits award recommendations in excess of \$10,000 up to \$25,000 for OPM review and approval.

032 The Executive Director for Operations (EDO):

- a. directs the administration of the NRC Non-SES Performance Appraisal System.
- b. considers the periodic evaluations of the System and recommendations for changes and takes appropriate action to modify the System, as warranted.
- c. approves exceptions to performance awards scales (see Exhibit A) but not to exceed 15 percent of base salary, for all employees under his/her jurisdiction, for awards above \$2,000 but not to exceed \$7,500.

033 The Director, Office of Administration:

- a. approves exceptions to this directive on a case-by-case basis in accordance with applicable laws and regulations.
- b. approves positions which do not require a reviewing official.
- c. insures that performance awards are reviewed for budgetary considerations before forwarding for payment, by reviewing and approving a list or summary compilation of ratings; thereby, approving any financial commitment represented by the ratings.

034 Directors of Offices and Regional Administrators:

- a. implement the System for employees within their respective organizations, consistent with this directive. (Regional Administrators with delegated personnel authority insure that Employee Performance Folders (EPFs) are maintained for employees in their organizations who are covered by this System.)
- b. as appropriate, direct efforts toward developing some common elements and standards for identical or similar positions which are office-specific (e.g., Resident Inspectors).
- c. as appropriate, assure that managers, supervisors, and employees under their jurisdiction are trained in this System so they can effectively carry out their responsibilities under this directive.

- d. assure that required appraisals of employee performance within their organizations are conducted in a timely manner and that supervisors evaluate employees in a consistent manner.
- e. issue to employees under their jurisdictions, as necessary and appropriate, advance notices of proposed actions covered by this chapter and decisions on such notices with the concurrence of the Director, Division of Organization and Personnel (O&P), and the Office of the General Counsel. Unless otherwise indicated in writing by the Office Director or Regional Administrator, an employee's immediate supervisor is designated and authorized to issue advance notices of proposed actions.
- f. may request approval from the Director, Office of Administration, to approve exceptions to this directive for employees under their supervision in unusual situations.
- g. certify to the Director, Division of Organization and Personnel, that all eligible employees under their supervision have been appraised.
- h. review and approve high-quality increases, and performance awards recommended by subordinate supervisors (for positions which require a higher level of review) including approval of performance awards up to \$2,000. This approval authority may be delegated no lower than Division Directors or equivalent organization level.

035 Supervisors:

- a. assure that position descriptions reflect the duties and responsibilities assigned to their employees.
- b. determine and document in writing the required performance plans of positions under their supervision, and update those plans as needed.
- c. inform subordinate employees at the beginning of the performance appraisal period, and to the degree practicable and as needed throughout the year, of the acceptable levels of performance for their assigned positions and of the critical elements involved in Unacceptable performance.
- d. conduct a progress review for subordinate employees during the appraisal period.
- e. appraise and rate each employee's performance at required times.
- f. recognize and nominate employees for awards when their performance so warrants.
- g. provide guidance and assistance to employees with performance below Fully Successful.

- h. initiate appropriate corrective action when an employee fails to improve Unacceptable performance.
- i. Issue Performance Improvement Requirement Memorandums (PIRMS), when warranted with the concurrence of Director, O&P.
- j. where applicable, review the performance appraisal practices of subordinate supervisors to assure consistent treatment of employees within their organizations.

036 Employees:

- a. participate with their supervisors in developing performance plans for their positions.
- b. request that supervisors clarify any performance elements or standards not clearly understood.
- c. advise supervisors of circumstances which may impact upon or deter the employee from properly performing duties or meeting assigned deadlines.
- d. participate in progress review and appraisal discussions with their supervisors.
- e. perform assigned work.

037 Reviewing Officials:

- a. review, revise as necessary, and approve performance plans for employees within their organizations to assure consistency.
- b. review, revise as necessary, and approve summary ratings assigned by subordinate supervisors.
- c. review, approve and/or decide performance based personnel actions within their delegated authority and forward those needing higher-level approval through channels.

038 The Director, Division of Organization and Personnel:

- a. develops the NRC's Non-SES Performance Appraisal System, with input from management officials, in conformance with law and regulations.
- b. approves extended rating periods as appropriate.
- c. provides advice to NRC Offices in the implementation of the System.
- d. periodically evaluates the effectiveness and efficiency of the System.

- e. develops recommendations and proposes corrective actions, when necessary, to improve the System.
- f. maintains Employee Performance Folders (EPFs) for each covered employee in Headquarters and in Region(s) without delegated personnel authority.
- g. provides final interpretation as to the intent and applicability of this chapter and appendix.
- h. concurs in the issuance of PIRMS and Advance Written Notices of proposed actions covered by this chapter and decisions on such notices.

039 The Director, Management Development and Training Staff:

- a. in coordination with the Director, Division of Organization and Personnel, develops performance appraisal training programs.
- b. provides necessary training to Agency managers and supervisors.

4151-04 DEFINITIONS See Appendix 4151, Part I.

4151-05 BASIC REQUIREMENTS

051 Applicability.

- a. This Performance Appraisal System is required for all employees in:
 - (1) General Salary Schedule and special salary schedule positions designated in grades GG-1 through GG-18.
 - (2) Hourly wage positions in pay plans such as WG, WL, WP, and WS.
 - (3) Positions with administratively determined pay rates except that such positions are not covered by within-grade increase provisions.
 - (4) Trial-period status, except that completion of the annual rating does not satisfy the requirement for certification required by NRC Appendix 4108, Part V, although ratings must be consistent. Trial-period employees whose performance becomes less than Fully Successful are not covered by provisions of this chapter. Instead, see Chapter NRC-4108.
 - (5) Scientific and Technical Schedule (STS) positions equivalent to Supergrade levels (above GG-15), except that STS employees are not covered by within-grade provisions.
 - (6) Temporary positions when time in the position is expected to exceed 120 calendar days in any consecutive 12 month period. (This may include some cooperative education students.)

(7) Long-term training (exceeding 120 calendar days).

b. This Performance Appraisal System is not required for:

(1) Employees who have not served or are not expected to be on NRC rolls in active duty status for at least 120 calendar days during the appraisal period. This includes employees appointed to temporary positions, including summer clerical, summer aide, summer faculty employees (this may include cooperative education students), and employees on extended periods of leave without pay.

(2) Individuals serving without compensation.

(3) Consultants and Members of Boards and Panels appointed under NRC Chapter and Appendix 4139, "Utilization of Consultants and Members."

(4) Individuals compensated on a contract or fee basis.

052 Appendix. Detailed policies and procedures for implementing the NRC Non-SES Performance Appraisal System are contained in Appendix 4151.

053 References.

(1) Subchapter I of Chapter 43 of Title 5, United States Code.

(2) 5 Code of Federal Regulations, Parts 293, 430, 451, and 771.

(3) Chapter NRC 4108, Employment.

(4) Chapter NRC 4154, Incentive Awards.

(5) Chapter NRC 4170, Reduction in Force (Non-SES).

(6) FPM Bulletin 571-3.

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PART I

GENERAL PROVISIONS

A. INTRODUCTION

This appendix establishes the policies and procedures for the administration of the NRC Non-SES Performance Appraisal System for covered employees (See 4151-01 and 051).

B. DEFINITIONS

1. Appraisal. The act or process of reviewing and evaluating the performance of an employee against the described performance standards.
2. Appraisal Period. The period of time established by this appraisal system for which an employee's performance will be reviewed. The annual appraisal period is October 1 through September 30 of the following year. The minimum appraisal period is 120 calendar days.
3. Appraisal System or System. The NRC Non-SES Performance Appraisal System established under Subchapter I of Chapter 43 of Title 5, U.S.C. and Part 430 of OPM Regulations which provide for identification of critical elements, establishment of performance standards, communication of elements and standards to employees, establishment of methods and procedures to appraise performance against established standards, and appropriate use of appraisal information in making personnel decisions.
4. Critical Element. A component of a position consisting of one or more duties and responsibilities which contributes toward accomplishing organizational goals and objectives and which is of such importance that Unacceptable performance on the element would result in Unacceptable performance in the position.
5. Directors of Offices. Directors of all Offices, Regional Administrators, the Chairman, the Commissioners, the Executive Director for Operations, and the Chairs of boards, panels, and committees with reference to employees under their supervision.
6. Employees. All incumbents of positions listed in 4151-051(a).
7. Form NRC 412, "Non-SES Performance Appraisal System Summary Rating." The form on which all summary ratings are documented.
8. Individual Element Ratings. Ratings which indicate the degree to which the employee has attained the performance standard. Each critical element will be assigned one of the following ratings: Outstanding, Excellent, Fully Successful, Minimally Successful or Unacceptable.

9. Performance. An employee's accomplishment of assigned work as specified in the critical elements of the employee's position.
10. Performance Award. A performance-based lump sum cash payment to an employee based on the employee's rating of record. A performance award does not increase base pay.
11. Performance Award Budget. The amount of money allocated for distribution as performance awards to covered employees.
12. Performance Management Plan. The description of NRC's methods which integrate performance, pay, and awards systems with its basic management functions for the purpose of improving individual and organizational effectiveness in the accomplishment of Agency mission and goals.
13. Performance Plan. The aggregation of all of an employee's written critical elements and performance standards.
14. Performance Standard. A statement of the expectations or requirements established by management for a critical element at a particular rating level. A performance standard may include, but is not limited to, factors such as quality, quantity, timeliness and manner of performance.
15. Progress Review. A review of the employee's progress toward achieving the performance standards. This is not in itself a rating.
16. Rating. See Summary Rating.
17. Rating Official. Normally, the employee's immediate supervisor who has the responsibility for appraising an employee's performance against his/her established performance plan and assigning a summary rating.
18. Rating of Record. The employee's annual summary rating. This is normally the rating due in October but may also include ratings given after extended rating periods, ratings revised as a result of a grievance, or ratings given to reconcile any differences between a within-grade determination and an employee's most recent rating of record.
19. Reviewing Official. Normally the employee's second level supervisor who is the rating official's immediate supervisor. The reviewing official is the approving official for the performance plan and ratings of record. (Summary ratings that are not ratings of record (e.g., details) do not require review or approval by the reviewing official.)
20. Summary Rating. The written record of the appraisal of each critical element and the assignment of a summary rating level. Definitions of the five required summary rating levels follow:

- a. "Outstanding" means performance of rare, exceptional quality with a very high quantity of work significantly ahead of established schedules or deadlines and with very little supervision.
- b. "Excellent" means performance of unusually good or high quality with a high quantity of work produced ahead of established schedules or deadlines and with less than normal supervision.
- c. "Fully Successful" means performance which is of good quality with the expected quantity of work that meets deadlines or schedules for completion of work.
- d. "Minimally Successful" means performance which is not "Unacceptable", but needs improvement to achieve the "Fully Successful" level. This may be evidenced by the need for close supervisory review, discussion, training and correction of work products. When performance falls below "Fully Successful", it is necessary for the supervisor to assist employees in improving their performance.
- e. "Unacceptable" means performance of an employee which fails to meet established performance standards in one or more critical elements of such employee's position. When performance is "Unacceptable", action must be taken consistent with required procedures. An "Unacceptable" rating on any one critical element would mandate an overall summary rating of "Unacceptable."

C. REQUIREMENT FOR APPRAISAL

1. Eligibility for Appraisal.

- a. Generally, all employees who have worked under a performance plan for 120 calendar days or more will receive a rating of record by October 31 of each year for the rating period just completed on September 30.
- b. By law, performance elements and standards must first be established before an appraisal may be made based on those standards. Therefore, an employee either new to NRC or new to a position shall be provided in writing a performance plan for his/her position normally not later than 30 calendar days after the effective date of the action placing the employee in the position. In the case of a new position, normal procedures for identifying performance elements and standards apply (see Part II, B.).

2. Employee's Change in Positions. When an NRC employee changes positions during the appraisal period and has served a minimum of 120 calendar days under a performance plan in the position from which he/she has changed, the supervisor of the position from which the employee is leaving must appraise that employee and assign a summary rating on performance. (See Part II, L.3 for processing

instructions.) The supervisor of the new position must use the information contained in that (those) summary rating(s) when deriving the next rating of record. Factors to consider include the portion of the appraisal period that is covered by the rating, the relevance of the performance plan to the present position and any other reasonable considerations. The Rating Official will document on the Form NRC 412 how the other summary rating was factored into the annual rating of record if the rating of record differs from the other summary rating(s).

3. Details.

- a. Inside NRC. An NRC employee detailed or temporarily promoted to a position for a period expected to be 120 calendar days or longer shall be provided with the performance plan for the position normally not later than 30 calendar days after the effective date of the detail or temporary promotion. Upon completion of a detail or temporary promotion of 120 calendar days or more, the supervisor to whom the employee was assigned shall complete a written performance appraisal to be used by the employee's supervisor of record in determining his/her next rating of record. (See Part II, L.3 for processing instructions.) The supervisor of record will consider the portion of the appraisal period that is covered by the rating, the relevance of the performance plan to the position of record and any other reasonable considerations. The supervisor of record will document in the narrative of the Form NRC 412 how the summary rating for the detail or temporary promotion was factored into the rating of record if the rating of record differs from that summary rating.
 - b. Outside NRC. When an NRC employee is detailed or temporarily promoted outside of the Agency for 120 calendar days or more, a reasonable effort must be made to obtain appraisal information from the outside organization. That information shall be considered in deriving the employee's next rating of record. If the employee has not served in the NRC for the required 120 days during the appraisal period but has served 120 calendar days or more in another agency, a reasonable effort must be made to prepare an annual rating of record based on the performance plan and appraisal information obtained from that agency.
4. Within-Grade Increase Determinations. When a within-grade increase decision is not consistent with the employee's most recent rating of record, a more current rating of record must be prepared to resolve the inconsistency before the within-grade increase is granted or denied, as appropriate.
5. Transfer of Rating. If an employee moves to another agency or to another position in an organization within the NRC with a different servicing personnel office, the current performance ratings of record must be transferred as required by Part II, K.5. below. In addition,

a summary rating must be prepared in accordance with Part I, C.2 above.

6. Inability to Rate. If, at the end of the appraisal period (normally September 30) an employee cannot be rated because he/she has not worked under a performance plan in the NRC for at least the required 120 calendar days, the appraisal period shall be extended for the amount of time necessary to reach 120 calendar days. At that time, a rating of record shall be prepared.
7. Appraising Disabled Veterans. The performance appraisal and resulting rating of a disabled veteran may not be lowered because the veteran has been absent from work to seek medical treatment as provided in Executive Order 5396.

D. APPRAISAL PERIOD

1. Annual Appraisal Period. The normal agency performance appraisal period begins on October 1 and ends on September 30 of the following calendar year.
2. Extended Appraisal Periods. Individual employee performance appraisal periods longer than one year may be established in unusual situations such as for employees who are: engaged in long-term scientific research; ill or on extended leave; under a specific notice of RIF; involved in pending determinations or appeals under any procedure, including an opportunity period under a PIRM. Under these and other extraordinary conditions, Office Directors may request prior approval of the Director, Organization and Personnel (O&P), to establish an extended rating period for such employees specifying the reason for the extension. Employees should be informed promptly about any deferred appraisal period applicable to them.
3. Progress Review. A progress review will be held each year generally in March for all employees who have served at least 120 calendar days under a performance plan by that time. At management's option, this progress review may be either oral or written or both. Progress reviews are not required for employees who have not served 120 or more calendar days under performance plans by their last workday in March. As a minimum, employees shall be informed of their performance by comparison with the performance elements and standards established for their positions. The progress review is not grievable.
4. Office Appraisal Certification. Normally, each Office will rate the performance of employees during the month of October each year. As of November 1 each year, Office Directors will certify in writing to the Director, Division of Organization and Personnel, that their employees have been rated and provided a copy of their rating. The original of the completed rating must be provided to the Director, Division of Organization and Personnel, (or Regional Personnel Officer) for retention in the Employee Performance Folder.

PART II

PERFORMANCE APPRAISAL PROCESS

A. AGENCY PERFORMANCE APPRAISAL PROCESS

Performance appraisal serves as a management tool designed to insure that the Agency mission and the requirements of an organization are met by measuring, tracking, and improving individual employee productivity.

B. DEVELOPING PERFORMANCE PLANS

1. Employee Participation. The supervisor will encourage employee participation in establishing performance plans. Employee participation can take place in a number of ways, including but not limited to: employees and supervisors developing the plans together; the employee providing the supervisor a draft plan; the employee commenting on a draft plan provided by the supervisor; or the supervisor obtaining information from a sample of employees who perform similar jobs.
2. Performance Plans to the Employee. Performance plans must be in writing and given to employees before an appraisal may be based on those standards. Normally, each supervisor should provide each employee under his/her supervision with performance plans, documented on Form NRC 412, within 30 calendar days after the beginning of the appraisal period or no later than 30 calendar days after the effective date of the employee's entry into the position. In addition, performance plans should be given to employees whenever they enter a position as a result of the following actions:
 - Appointment
 - Change to lower grade
 - Promotion
 - Reassignment
 - Detail or temporary promotion for 120 calendar days or longer
3. Identifying Duties and Responsibilities/Performance Elements.
 - a. Position Descriptions. By OPM regulation, performance plans shall be based on the requirements of the employee's position. (This does not preclude establishing performance criteria from sources other than the position description, i.e., when an employee is detailed or temporarily promoted to another set of duties for 120 calendar days or more, a new performance plan must be established. This new plan may or may not have direct relationship to the employee's primary position description of record.)

b. Identical and Similar Position Descriptions.

- (1) Similar or Identical Positions. Some identical or similar performance elements are appropriate to assure equity and consistency within and between different offices when identical or similar positions exist in the same occupational series and where duties, responsibilities and tasks actually performed are essentially similar (e.g., secretaries). Agency efforts will be devoted to identifying such positions which can be covered by some identical or similar performance elements.
- (2) Uniformity. Office Directors shall direct efforts toward uniformity in performance elements and standards, as appropriate, for identical or similar positions which are office-specific (e.g., resident inspectors) consistent with position descriptions. However, modifications or deletions may be made to reflect actual work performed by the individual employee.

c. Other Sources. Principal duties and responsibilities may be derived from office planning documents; statements of organization and functions; Commission papers, decisions and assignments; the NRC budget; and NRC's Policy and Planning Guidance (PPG).

4. Revise Position Description if Appropriate. After identifying performance elements through job analysis or using other sources, the position description should be revised and updated as appropriate.
5. Identifying Critical Elements. After accumulating a list of duties and responsibilities from position descriptions or other sources, the supervisor, with the participation of the employee, should list and group similar or related duties and responsibilities into categories taking into consideration organizational objectives when appropriate. Each category of such related duties and responsibilities should be stated in complete form and should adequately describe a component of the job; these categories are the performance elements. Supervisors must determine which elements are so important that failure to meet the standard in one or more such elements would result in Unacceptable performance in the position. Elements so identified are "critical elements." Performance plans will contain no less than three nor more than six critical elements.
6. Determining Whether an Element Is Critical.

A critical element is a component of a position that consists of duties and responsibilities which contribute toward accomplishing organizational goals and objectives and is of such importance that Unacceptable performance on the element would result in Unacceptable performance in the position (see Definition, Part I, B.4. above).

The following criteria highlight some characteristics of critical elements and provide guidance in determining whether an element is critical.

- . It is a major component of the position.
- . It is necessary to successfully accomplish the work of the organization.
- . Unacceptable performance on the element would have serious consequences on the ability of the organization to accomplish its mission.
- . It is a regular and recurring part of the position.
- . It is a primary responsibility of the employee.

7. Critical Element Requirements for Managers and Supervisors.

Critical elements for supervisors shall include at least one element for management supervisory effectiveness including: (a) planning and organizing; (b) selecting, developing, rewarding, and utilizing staff; (c) assessing equal employment opportunity and affirmative action efforts; (d) performing appraisals on subordinates; (e) dealing effectively with differing professional views or opinions; and (f) adhering to sound procurement/contract practices and procedures.

8. Performance Standards Requirements.

- a. Each supervisor, with the participation of the employee, shall establish performance standards at the Fully Successful level for each critical element.
- b. Performance standards should be as objective as possible. Employees should be accountable only for performance outputs which are under their control. Performance standards should be written clearly and simply and they should relate directly to the critical elements with which they are associated. To the degree possible, standards should be expressed in terms that can be measured or quantified and it should be made clear what measures will be used in appraising performance, for example:
 - (1) Quality of Work. When appropriate, indicate how accurate or how complete the work or work product must be. Indicate the manner in which the work must be performed.
 - (2) Quantity of Work. When appropriate, indicate the volume of work expected - the range of acceptable output. Be sure

to factor in contingencies such as resources or unexpected emergencies.

- (3) Timeliness. When appropriate, include deadlines and milestones.
- c. General traits of behavior and personal characteristics (such as "intelligence," "judgment," "dependability," and "cooperativeness," etc.) and undefined levels of skill or knowledge (such as "writing ability," "oral expression," "job knowledge," etc.) do not provide an adequate basis for making an objective appraisal of the employee's performance.
- d. Insure that the standard can be attained and exceeded. Since the standard is written at the Fully Successful level, it should define clearly what is expected of Fully Successful performance. Remember, however, there are two levels of performance above and two levels of performance below the Fully Successful standard. The absence of a written standard does not preclude the assignment of a rating at that level. The standard should be written to permit the assignment of a rating at either of the two levels above or below the level defined.
- e. Standards for similar positions should be similar and consistent to the degree feasible.
9. Documenting Performance Plans. The final performance plans will be documented on Form NRC 412, "Non-SES Performance Appraisal System Summary Rating." A continuation page is available should more space be needed for itemizing performance elements and standards. The supervisor is responsible for preparing the final draft of the plan. Before a copy of the draft plan is forwarded to the reviewing official, the supervisor will give a copy of it to the employee for his/her comment. Normally the employee will be given 5 workdays from the date of the final draft to provide comments to the supervisor who shall consider employee comments. If there is disagreement between the employee and the supervisor over the plan and a mutually acceptable alternative cannot be reached, the judgment of the supervisor shall prevail. The supervisor shall prepare and forward Form NRC 412 to the reviewing official without signing it.
10. Reviewing Official. The reviewing official shall review the performance plan for adequacy and consistency, and shall assure that it is consistent with mission requirements, functional statements, and position descriptions. The reviewing official shall signify approval of the draft by signing and dating Form NRC 412. If the reviewing official does not agree with the plan, he or she should discuss it with the supervisor. In cases of differences, reviewing officials have authority to make final decisions and direct that changes be made. (Reviewing officials are not required for employees in positions reporting directly to the Commission and for other specific positions (e.g., secretaries to Regional Administrators) which are prior approved by the Director, Office of Administration.) After

any differences are resolved, the supervisor and the reviewing official shall sign Form NRC 412.

11. Final Elements and Performance Standards Issued to Employee(s).

- a. Following review and approval by the reviewing official, the supervisor will furnish the original of Form NRC 412 to the employee for signature. The supervisor will discuss with and explain to the employee any changes directed by the reviewing official and request the employee's signature.
- b. The employee's signature acknowledges only receipt of the performance plan. The plan is effective when the employee receives it.
- c. If an employee refuses to sign a completed Form NRC 412 acknowledging receipt of the performance plan, the supervisor should ask a disinterested party to witness that the completed form is given to the employee. A brief statement to this effect should be made on the form on the line which the employee would otherwise have signed, and both the disinterested party and the supervisor should sign and date the statement. The supervisor keeps the original and provides the employee with a copy.

C. MAINTAINING ACCURACY OF ELEMENTS AND STANDARDS

When there are significant changes in work assignments, resources available, or major shifts in function or priorities which impact on an employee's existing performance elements or standards, modifications should be recorded on the original Form NRC 412, and all copies of the Form. Addenda are also acceptable. Any significant change must be reviewed and approved by the reviewing official. Any revised Form NRC 412 or addendum is required to be signed, dated, and distributed as specified in B. above. New elements and standards become effective at the time the revisions are approved. The role of the employee in this modification procedure parallels his/her role when the plan was originally established.

Notwithstanding the above, performance plans should not be revised within 120 calendar days of the end of the rating period.

D. PERFORMANCE APPRAISAL AND RATING

1. Annual Rating. During the month of October each year, supervisors shall rate all employees under their supervision unless otherwise excepted (see 4151-05, and Part I, C.6 and Part I, D.2. above). An employee's performance during the appraisal period is the basis for his or her rating and is documented on Form NRC 412.

The supervisor should review work products, accomplishments, and work status reports which reflect the employee's performance and overall achievements with respect to each critical element and performance standard established at the beginning of the appraisal

period, or subsequently modified and documented during the appraisal period, including applicable summary ratings from other details, previous positions or temporary promotions during the appraisal period. The supervisor may request information from the employee to assist in this review. The supervisor must use the currently approved Form NRC 412.

2. Special Ratings.

For ratings of employees who change positions or who are on detail, see Part I, C.2. & 3. above for requirements.

3. Individual Element Ratings.

The supervisor shall rate each critical element as Outstanding, Excellent, Fully Successful, Minimally Successful, or Unacceptable. The following points will be assigned to individual element ratings.

| | | |
|----------------------|------|----------|
| Outstanding | (O) | 4 points |
| Excellent | (E) | 3 points |
| Fully Successful | (FS) | 2 points |
| Minimally Successful | (MS) | 1 points |
| Unacceptable | (U) | 0 points |

These numbers will be used to compute the summary rating. (D.7. below).

4. When There Is Little Or No Performance Data.

If, in the judgment of the supervisor, the employee has performed no work or an insufficient quantity of work under one or more critical elements to justify a rating, the supervisor shall mark that element "NA" (not applicable) and write on the form a brief explanation of why such determination was made. Such a NA notation shall not be counted for or against the employee, shall not be given a numerical rating and shall not be counted among the number of critical elements in deriving the Summary Rating (see D.7. below). This provision does not apply to individuals who through inefficiency, incompetence, or insubordination, fail to complete assigned work.

5. Supporting Individual Element Ratings.

In addition to indicating the rating, the supervisor shall write a brief narrative for each critical element, rating performance against the written Fully Successful standard. When performance exceeds or does not meet the Fully Successful standard, justification should be included to clearly and explicitly justify the assignment of a rating above or below the Fully Successful level.

6. Prohibition on Forced Distribution.

By OPM regulation, NRC may not prescribe a distribution of ratings that interferes with the appraisal of actual employee performance against performance standards.

7. Computing Summary Rating.

- a. Summary ratings are determined by totaling all the points earned in an employee's performance plan as described in D.3. above and dividing that sum by the number of elements rated. That quotient determines the summary rating in accordance with the following chart.

| | | |
|----------------------|------|--|
| Outstanding | (O) | 3.70 - 4.00 |
| Excellent | (E) | 2.70 - 3.69 |
| Fully Successful | (FS) | 1.70 - 2.69 |
| Minimally Successful | (MS) | 1.00 - 1.69 |
| Unacceptable | (U) | (See definitions, Part I, 20.e. and G.9. below.) |

EXAMPLE:**Employee A**

| <u>Critical Element</u> | <u>Rating</u> | <u>Points</u> |
|-------------------------|---------------|---------------|
| 1 | O | 4 |
| 2 | E | 3 |
| 3 | E | 3 |
| 4 | E | 3 |
| | <u>TOTAL</u> | <u>13</u> |

| | |
|--|-------------|
| Total points earned | 13 |
| Divided by the number of critical elements rated | +4 |
| Quotient | <u>3.25</u> |

A numerical of 3.25 applied to the chart equates to a summary rating of "Excellent."

Employee B

| <u>Critical Element</u> | <u>Rating</u> | <u>Points</u> |
|-------------------------|---------------|---------------|
| 1 | FS | 2 |
| 2 | FS | 2 |
| 3 | E | 3 |
| 4 | O | 4 |
| 5 | FS | 2 |
| 6 | E | 3 |
| | <u>TOTAL</u> | <u>16</u> |

| | |
|--|-------------|
| Total points earned | 16 |
| Divided by the number of critical elements rated | +6 |
| Quotient | <u>2.67</u> |

A numerical of 2.67 applied to the chart equates to a summary rating of "Fully Successful."

8. Rating Official. Supervisors may discuss with the employee his/her accomplishments, deficiencies and performance as relates to his/her critical elements before assigning the recommended summary rating and sending it to the reviewing official for approval. During this discussion with the employee, the supervisor may not make any commitments about how individual elements will be rated or discuss or show the summary rating to the employee. When the rating official has assigned a tentative rating, he/she shall forward the unsigned Form NRC 412, to the reviewing official.

9. Reviewing Official's Review of Ratings of Record.

(Note: Summary ratings that are not ratings of record do not require a reviewing official's review approval or signature.)

- a. The reviewing official is responsible for assuring that all subordinate supervisors operate a uniform and equitable appraisal system. If, upon review, the reviewing official determines that a rating is poorly prepared, shows inconsistencies, or otherwise fails to provide an accurate rating of the employee, the reviewing official will discuss his/her views with the supervisor to resolve the issues.
- b. The reviewing official is the final approving authority on ratings of record for employees within his/her organization. The reviewing official may change the rating of any critical element and the resultant summary rating. However, before taking such action, the reviewing official should express his/her views to the rating official in an effort to resolve any differences and to provide the rating official the opportunity to support his/her rating or amend the rating, as appropriate. If the reviewing official changes the rating official's rating, reasons must be based on an assessment of performance against the standards on the approved performance plan on the Form NRC 412.
- c. Following review and approval of the appraisal, the reviewing official will sign, date, and return Form NRC 412 to the supervisor to sign and date.

E. ANNUAL PERFORMANCE RATING DISCUSSION

1. General Requirement.

After the Form NRC 412 is reviewed and approved, the supervisor shall meet with the employee to discuss his/her annual performance appraisal and rating.

2. Objectives.

The purposes of the annual performance appraisal discussions are:

- a. To advise the employee of the supervisor's overall assessment of his/her performance during the appraisal period.
- b. To inform the employee how the rating may be used as a basis for making personnel decisions.
- c. To identify areas of strength and to recognize and reinforce the positive contributions of the employee.
- d. To identify areas of performance in need of improvement, to identify methods to facilitate that improvement, and to provide assistance, if needed.

3. Procedures.

- a. Appraisal Discussion. The supervisor shall meet with the employee and discuss each individual element rating and narrative justification; the summary rating; and any recommendations for training or other actions, as appropriate. The annual review session should cover not only the supervisor's appraisal of the employee's work performance, but also the employee's concerns, suggestions and career goals. The review session is the supervisor's opportunity to help the employee recognize areas for improvement, to plan his/her future development, to enlist the employee's help in achieving organizational goals, and to receive important feedback from the employee. An Individual Development Plan (IDP) may be prepared as a result of this discussion.
- b. Employee's Comments. Space is provided on Form NRC 412, for employee comments. Employee comments are optional and should be furnished to the supervisor by the fifth workday after the employee receives the appraisal. If the employee makes comments which reflect, in the supervisor's opinion, significant information and facts that change the supervisor's original assessment of the employee's performance, a revised Form NRC 412, which reflects the changes, must be prepared by the supervisor and again submitted to the reviewing official for review and approval.
- c. Employee's Signature. After discussion with the supervisor, the employee is requested to sign and date Form NRC 412. The employee's signature acknowledges receipt of the rating indicating that he/she has been provided the opportunity to meet with the supervisor to discuss the contents of the appraisal. The employee's signature carries no implication that the employee concurs in the appraisal or in the supervisor's comments. An annual performance rating is not final until all necessary reviews and signatures are secured. However, if the employee refuses to sign the Form NRC 412, it will become effective on

the fifth workday after the appraisal is received by the employee. In the event an employee refuses to sign his/her employee appraisal, the supervisor shall follow procedures described in Part II, B.11.c. above.

d. Retention and Validity of Ratings.

- (1) A copy of the completed and approved Form NRC 412 should be given to each employee as soon as it is practical after the end of the appraisal period. The original will be forwarded to the Director, Division of Organization and Personnel, or Regional Personnel Officer along with all other appropriate supporting documentation for retention in the Employee Performance Folder.
- (2) The employee's most current rating of record is considered the valid rating of record for official purposes and it constitutes the basis for personnel actions, except that NRC must comply with OPM regulations governing ratings of record to be used for RIF purposes.

4. Performance Elements and Standards for the Upcoming Rating Period.

Normally, prior to the beginning of the new appraisal rating period on October 1, a new performance plan Form NRC 412 containing elements and standards for the upcoming appraisal period will be developed, discussed, and reviewed as the sequence starts again. The supervisor should discuss with and communicate to the employee in writing the employee's performance elements and performance standards for the upcoming appraisal period as part of the annual appraisal discussion. If such discussion of appraisal and new-year requirements cannot occur simultaneously, they may occur sequentially. Normally, the approved written performance plan should be received by the employee within 30 days after the beginning of the rating period.

F. GRIEVANCES ASSOCIATED WITH PERFORMANCE

Supervisors have the authority to assign duties and responsibilities to employees and to set standards for their performance. Therefore, performance plans are not subject to formal appeal or to the Agency grievance procedure under Chapter NRC 4157, Employee Grievances. However, an employee who disagrees with the supervisor's summary rating or rating of record may grieve it under provisions established in Chapter NRC 4157. (Employees in the bargaining unit are subject to the negotiated Agreement.)

When a rating is changed as a result of a grievance, the revised rating shall be placed in the Employee Performance Folder in lieu of the contested rating and becomes the rating of record.

G. USE OF APPRAISAL INFORMATION IN PERSONNEL DECISIONS

1. General Requirement. Ratings of record shall be used in recognizing and rewarding employees; promoting; granting or denying within-grade increases; training; assisting employees to improve poor performance; and reassigning, reducing in grade, retaining and removing employees. This section outlines the requirements for performance based actions.
2. Performance Awards.
 - a. Award Basis. Performance awards are lump-sum payments based on the employee's rating of record for the current appraisal period.
 - b. Approval. The awards will be recommended by the rating official and approved by the reviewing official (except when the employee reports directly to a Commissioner or the EDO) responsible for making the performance appraisal decision.
 - c. Timing. Generally, these awards should be recommended at the same time the rating of record is determined, and that rating shall serve as sufficient justification for the award. However, in unusual cases, if the supervisor wishes to nominate an employee for a performance award more than 60 calendar days after the employee receives his or her rating of record, a written justification, in addition to the most recent rating of record, must accompany the recommendation.
 - d. Budgetary Review. Approved awards will be forwarded for payment only after budgetary review and approval by the Program Support Staff, Office of Administration.
 - e. Eligibility Criteria.
 - (1) Only employees whose current rating of record is Outstanding or Excellent may be considered for Performance Awards.
 - (2) The supervisor of the organizational unit will consider employees with Outstanding ratings prior to employees with Excellent ratings for these awards. However, since awards are a prerogative of management and since other factors (e.g., recency of promotion) also affect award decisions, there shall be no automatic or mandatory awards based solely on ratings.
 - (3) No employee who has received a High Quality Increase may receive a Performance Award for the same period of performance.

f. Procedural Requirements.

- (1) The employee's immediate supervisor initiates recommendations on Form NRC 365, "Nomination and Authorization for Cash Awards," concurrent with assigning the rating of record on which the award is based, or at such later time as the supervisor determines that an award would serve the relationship between pay and performance.
- (2) Nominations should be evaluated promptly. Generally, no more than 90 calendar days should elapse from the time of the recommendation until the award is granted. Normally, the employee should be notified of an award by his or her supervisor.
- (3) After action by the reviewing official, approved nominations, consisting of two signed copies of Form NRC 365, the performance appraisal for the current appraisal year, and a narrative justification, if required, shall be furnished to O&P for review and processing.
- (4) The amount of the award is determined using the tables in Exhibit A; exceptions may be approved only by the Chairman or the EDO, not to exceed 15 percent of the nominee's base salary, when sufficient, fully documented reasons exist. The full amount of a performance award may be granted only once in any 52-week period.
- (5) Performance awards shall be documented in the Official Personnel Folder to reflect the nature of the award, including the amount of the award.

3. Incentive Awards (See Chapter NRC 4154, Incentive Awards.)

4. Within-Grade Increase. (See NRC Appendix 4130-C, Position Evaluation and Pay Administration.) An employee may be considered eligible for a within-grade increase under Appendix 4130-C only if his/her most recent rating of record (or PIRM determination, as appropriate) is Fully Successful or higher and the employee is otherwise eligible.

5. High Quality Increase (HQI).

- a. General. An HQI is an increase in an employee's rate of basic pay from one rate of the grade to the next higher rate of the same grade based on performance at the Outstanding or Excellent level which is expected to continue. The use of HQIs is intended to provide the flexibility to recognize sustained high quality performance by authorizing faster than normal step increases.
- b. Recommendation For HQI. A recommendation for an HQI must normally be supported by the employee's most recent rating of

record, or when the appraisal is more than 60 calendar days old, by a written statement explaining the reasons for granting the HQI.

c. Eligibility Criteria.

- (1) HQIs may be granted only to employees on the General Salary Schedule (GG) who are covered by this Performance Appraisal System. Employees in the Senior Executive Service, Scientific and Technical, Administratively Determined, and Wage Grade pay schedules are not eligible.
- (2) Employees whose performance meets all of the requirements for a performance award, including performance which has been sustained at a high level for a sufficient time so that it is considered characteristic (not less than 6 months), and who are expected to continue such performance in the future, may be considered for an HQI. There should not be automatic awards based solely on performance ratings.
- (3) High Quality Increases may not be granted to employees who:
 - (a) are in the maximum step of any grade;
 - (b) are not expected to remain for at least 60 days in the same or a similar position at the same grade level, have just been promoted, or when a promotion is imminent;
 - (c) are in a controlled training program such as Upward Mobility or the NRC Intern Program;
 - (d) have been detailed to the position or project for only a short period, e.g., less than 6 months, during the performance period being recognized;
 - (e) have been granted an HQI in the prior 52-week period; or
 - (f) have been granted a performance award for the same period of performance.
- (4) Although not specifically prohibited, recommending and approving officials should consider carefully whether the relationship between pay and performance is well served by granting an HQI to:
 - (a) an employee who has received an HQI previously in the same job;

- (b) an employee who is in a position that has been downgraded or has a retained pay rate;
- (c) an employee who has announced his or her intention to retire; or
- (d) an employee in order to solve personnel problems, e.g., the inability to promote an employee.

d. Procedure Requirements.

- (1) Initiating Action. The employee's immediate supervisor should normally initiate Form NRC 252, "Nomination for High Quality Increase," through appropriate supervisory levels to the Office Director or Regional Administrator for approval. (See G.5.d.(3) below for processing requirements.) This approval authority may be delegated no lower than Division Directors or equivalent organizational level.
- (2) Justification. The performance appraisal should be used as justification for this award. In addition, if the appraisal is over 60 days old, section 10 of Form NRC 252 should be completed.
- (3) Evaluation and Processing. Generally, no more than 90 calendar days should elapse from the time of the recommendation until the award is granted, unless it would be to the employee's benefit to delay the HQI for a longer period to take advantage of his/her placement in the waiting period for the next within-grade increase. See Appendix 4130-C, Part IV, C. for discussion and examples. The Division or Office Director shall review as soon as possible the documentation supporting the recommendation. If approved, a completed SF-52, "Request for Personnel Action," shall be prepared and forwarded with the supporting documentation to O&P. O&P will review the request for accuracy and conformity with procedural and other regulatory criteria; if complete, an SF-50, "Notification of Personnel Action," is prepared. The SF-50 will be processed in the same manner as other personnel actions.

e. Authorizing Payment.

- (1) Documentation. Approval and certification shall be based on two signed copies of Form NRC 252 together with required documentation which shall be furnished to O&P for review and processing. This documentation shall be the basis for the Division of Accounting and Finance to make payment.
- (2) Amount of Award. The amount of the HQI is determined by the employee's grade level. An HQI immediately raises the employee's basic rate of pay one step and has possible

continuing benefits such as increasing the recipient's life insurance coverage, favorably affecting subsequent promotions, and increasing retirement computations. Therefore, the recommending and approving officials should consider carefully the continuing cost to the Government and the taxpayer versus the motivational value to the employee.

6. Promotions. (See Chapter NRC 4108, Employment.)

- a. Only an employee whose summary rating meets or exceeds Fully Successful may be considered for noncompetitive career promotion to higher grade levels. No employee may receive a career ladder promotion who has a rating below "Fully Successful" on a critical element that is also critical to performance at the next higher grade of the career ladder.
- b. All employees may apply for competitive promotion opportunities. In considering an employee for promotion under competitive promotion procedures, due weight must be given to past summary ratings and to any awards granted.

7. Reduction-In-Force (RIF).

- a. No summary rating or rating of record will be assigned for the sole purpose of affecting an employee's RIF retention standing.
- b. No new ratings of record will be prepared for employees who have received a specific notice of reduction-in-force until after the effective date of the reduction-in-force.
- c. See NRC Chapter 4170, Reduction-in-Force (Non-SES), for how performance ratings influence retention during a RIF.

8. Minimally Successful Performance. Supervisors are required to take action, as follows, whenever an employee's performance is rated Minimally Successful. Supervisors should consult with the Chief, Labor Relations Branch, Division of Organization and Personnel, and/or the Regional Personnel Officer, as appropriate, for guidance.

a. Employee Counseling.

- (1) Supervisors should counsel employees who are rated Minimally Successful. The counseling should address in specific terms how the employee's performance is less than Fully Successful.
- (2) Supervisors should counsel employees during the annual progress review, making them aware of progress against performance standards. (Counseling may consist of a comment or a short conversation or several discussions focusing on work products and how to perform given assignments.)

- (3) Employees should be encouraged to discuss any reasons which might cause performance problems. Generally, the responsibility for raising any medical condition lies with the employee. However, if the supervisor recognizes the possible existence of a problem such as alcoholism, drug abuse or emotional or personal problems, he/she should discuss the situation with the Labor Relations Branch and/or the Regional Personnel Officer, as appropriate and the appropriate Agency counselor and, if appropriate, refer the employee for counseling. (If an employee raises a claim of poor performance due to the excessive use of drugs or alcohol, the supervisor must refer him/her to counseling. At that time, the supervisor should give the employee a choice between successful rehabilitation or future performance-based action if the employee refuses rehabilitation or if problems persist following treatment or rehabilitation.) (See also Chapter NRC 4161, Employee Health Services Program.)
 - b. Training. Supervisors should discuss with employees any training needs which might upgrade the employee's performance to an acceptable level of competence. Such training may include closer supervision, more specific guidance and on-the-job or other training.
 - c. Denying Within-Grade Increase. The supervisor may not grant a within-grade increase to an employee whose current rating of record is Minimally Successful or below. When a within-grade increase decision is not consistent with the employee's most recent rating of record, a more current rating of record must be prepared to resolve the inconsistency before the within-grade increase is granted or denied as appropriate. (Denial of a within-grade increase shall be effected in accordance with Appendix 4130-C. Employees in the bargaining unit are subject to the negotiated Agreement.)
9. Unacceptable Performance. In addition to the actions described in 8. above, supervisors are required to provide employees an opportunity period in which to demonstrate acceptable performance whenever an employee's performance is deemed Unacceptable in one or more critical elements.
- a. Performance Improvement Requirements Memorandum (PIRM).

(These instructions do not apply to trial period employees.)

At any time the employee's performance is deemed Unacceptable, the supervisor must take action. The law provides that the employee be given an opportunity to demonstrate acceptable performance. The supervisor shall coordinate with the Labor Relations Branch (through the Regional Personnel Officer, as

appropriate), and shall provide the employee a performance improvement period of 60 calendar days to bring his/her performance up to at least the Minimally Successful level. The supervisor shall prepare a Performance Improvement Requirements Memorandum (PIRM) which:

- (1) identifies the critical element(s) for which the employee's performance is Unacceptable.
 - (2) details the way in which the employee's performance is not meeting the standard(s) of the current performance plan.
 - (3) communicates new performance standards at the Minimally Successful level for critical elements in which performance has been determined to be Unacceptable. These standards shall be reviewed, approved and documented on the employee's performance plan (Form NRC 412) as an addendum to that plan in accordance with B. above.
 - (4) describes how the supervisor will assist the employee to improve performance.
 - (5) informs the employee of the amount of time allowed to bring his/her performance up to at least the Minimally Successful level.
 - (6) states that failure to improve performance to at least the Fully Successful level will result in denial of within-grade increase; and failure to improve to at least the Minimally Successful level will result in initiating action to reassign, reduce in grade or remove.
- b. Combined Memo. The notification requirements for denying within-grade increases and the PIRM may be combined in one memorandum, when appropriate.
- c. Use Form NRC 412 Only at End of Appraisal Period. The supervisor is required to complete a Form NRC 412 and issue a rating of record only when the opportunity period established by the PIRM ends at the end of the appraisal period, when the rating of record is normally due or if required by other provisions of this Appendix.
- d. Determination at End of Performance Improvement Period.

At the conclusion of a performance improvement period when that period does not end at the end of the appraisal period, the supervisor shall determine whether performance has improved or remains Unacceptable.

- (1) If performance is Fully Successful or better, the supervisor shall issue a memorandum to the employee informing him/her of this fact.

- (2) If performance is Minimally Successful, the supervisor, with the advice of the Labor Relations Branch and/or Regional Personnel Office, as appropriate, shall issue a memorandum to the employee informing him/her of this fact.
- (3) If performance remains Unacceptable, the supervisor, with the advice of the Labor Relations Branch and/or Regional Personnel Officer, if appropriate, shall initiate action to remove the employee from his/her position by reassignment (see H. below), reduction in grade or removal (see I. below).

If insufficient information is available at the end of the PIRM period to adequately and fairly rate the employee's performance, the PIRM period may be extended.

H. REASSIGN THE EMPLOYEE

NRC retains the management right to reassign employees based on the needs of the service. Reassignment to another position at the same grade level may be the appropriate action in a case where the employee's performance continues to be Minimally Successful or Unacceptable. Reassignment may provide the employee with a change in work environment or in the kind of work performed sufficient to improve his/her level of performance. The Division of Organization and Personnel and/or Regional Personnel Office, as appropriate, may be consulted regarding the qualifications of the employee to determine eligibility for positions. The supervisor of the new position must inform the employee in writing of the critical elements and performance standards for the new position.

I. REDUCTION IN GRADE AND REMOVAL

1. General. Reduction in grade or removal may be the appropriate action in a case where the employee's performance in one or more critical elements continues to be Unacceptable by the end of the performance improvement period.
2. Authorities and Coverage. Reductions in grade and removals based on Unacceptable performance in one or more critical elements will be accomplished in accordance with 5 CFR Part 432 of the regulations of the Office of Personnel Management, as supplemented by these instructions. For reduction in grade or removal in any case based on Unacceptable performance when it is found together with misconduct, see also NRC 4171, Separations and Adverse Actions. These instructions do not apply to:
 - a. the action during employee's trial period (formerly called probationary period) (see NRC 4108).
 - b. a reduction-in-force action (see NRC 4170).
 - c. termination of a temporary promotion (See NRC 4108).

3. Selecting Reduction in Grade or Removal. If the employee's performance on the critical element(s) remains at the Unacceptable level during the performance improvement period, the supervisor must decide whether to initiate action to reduce in grade or remove. Reduction in grade may be appropriate when the employee's demonstrated performance in his or her current position would appear to meet an acceptable level for performance at a lower grade level. In addition, the supervisor must be satisfied that the employee's level of performance at the lower grade will still permit the organization to function effectively.
4. Advance Written Notice of Reduction in Grade or Removal
(after performance improvement period).
 - a. Under 5 U.S.C. Chapter 43, Subchapter I, and the regulations of the Office of Personnel Management, any action to reduce in grade or remove an employee for Unacceptable performance must be preceded by an Advance Written Notice to the employee.
 - b. The Advance Written Notice will be prepared and signed by the proposing official.
 - c. An "Advance Written Notice to Reduce in Grade or Remove" may not be issued until it has been reviewed and concurred in by the Regional Personnel Officer, when appropriate, and the Director, Division of Organization and Personnel, and the Office of the General Counsel (or their designees).
 - d. The notice must:
 - (1) provide 30 calendar days advance written notice of the proposed action.
 - (2) identify specific instances of Unacceptable performance which occurred during the 1-year period ending with the date of the Advance Written Notice and on which the proposed action is based.
 - (3) identify the critical element(s) of the employee's position involved in each instance of Unacceptable performance.
 - (4) inform the employee of his/her right to be represented by an attorney or other representative; and the employee's obligation to notify the deciding official who the representative will be, if any, within a reasonable period of time prior to any oral reply.
 - (5) inform the employee of the amount of time allowed to answer orally and in writing, and further inform the employee that:

- (a) the employee shall be provided with a reasonable amount of official time to prepare an oral and/or written reply to the Advance Written Notice.
 - (b) the employee shall provide his/her oral and/or written reply to the deciding official within 14 calendar days from receipt of the Advance Written Notice; and that extensions of time may be granted based on reasonable grounds. (Bargaining unit employees are governed by the negotiated Agreement).
 - (c) if an oral reply will be made, a date and time will be set at an agreeable time and place.
 - (d) an oral reply will be heard by and/or a written reply will be received by the deciding official.
- (6) specify that the employee should address his/her response to the deciding official set forth in the Advance Written Notice.
5. Agency Disallowance of Employee Representative.
- The Director, Division of Organization and Personnel (O&P) (or designee), after consultation with the Regional Personnel Officer, as appropriate and the originator (proposing official) of any Advance Written Notice may disallow as an employee's representative any individual whose activities as a representative would cause a conflict of interest or position. The decision of the Director, O&P, in this regard is final.
6. Extension of the Advance Written Notice to Reduce in Grade or Remove. The deciding official of the Advance Written Notice may extend the notice period for a reduction in grade or removal for a period not to exceed 30 calendar days, and may further extend the notice period with prior approval from the Office of Personnel Management. This extension must be in writing and must be reviewed by the Regional Personnel Officer, when appropriate and by the Director, Division of Organization and Personnel (or designee).
7. Deciding Official. Unless the action was proposed by the head of the Agency (the Chairman or EDO as appropriate), the decision must be concurred in by an official at a higher level than the proposing official.
8. Considering the Reply. The record of the action must show that the employee's oral and/or written reply to the notice is considered by the deciding official before he or she makes a decision on the proposal. NRC management may require a verbatim transcript of any oral reply.
9. Decision. The deciding official must provide the employee with a written decision to retain in grade, reduce in grade, or remove the

employee within 30 calendar days after the expiration of the notice period. The decision to reduce in grade or remove may be based only on those instances of Unacceptable performance cited in the Advance Written Notice. This written decision, if adverse to the employee, must:

- a. specify those instances of Unacceptable performance by the employee cited in the Advance Written Notice on which the reduction in grade or removal is based.
- b. state the effective date of the reduction in grade or removal.
- c. state the individual's appeal rights.

10. Purging Records. If the employee is not reduced in grade or removed because of performance improvement to at least Minimally Successful during the Advance Written Notice period, and the employee's performance continues to be at least Minimally Successful for one year from the date of the Advance Written Notice, any entry or other notation of the Unacceptable performance for which the action was proposed shall be removed from all NRC records. The Director, Division of Organization and Personnel, or Regional Personnel Officer shall ensure these records are removed from the EPF.

11. Appeals. Veterans preference eligibles who have completed 1 year of current continuous employment in the same or similar positions may either appeal to the Merit System Protection Board (MSPB) or use the NRC appeals process. (See NRC 4171 for a discussion of "same or similar positions.") However, if the MSPB accepts an employee's appeal on an action, issue, or charge, an appeal concerning the same action, issue, or charge will not be accepted by NRC, or if already accepted, processing will not be continued by NRC. Employees who are not preference eligibles who have completed one year of current continuous employment may appeal only through the NRC appeals process. (Bargaining unit employees are governed by the negotiated Agreement.)

J. TRAINING FOR EMPLOYEES

1. Identifying Training Needs.

Performance ratings should be used as a basis for determining the career training and development needs of NRC employees.

- a. Employees may receive training for two purposes: overcoming deficiencies and development. Supervisors should attempt to determine whether the training will assist an employee's performance, and Form NRC 412 may identify areas where remedial and/or developmental training may be necessary for an employee to meet a specified performance standard.
- b. Developmental training may be provided for employees to expand the scope or depth of their abilities and knowledge to enhance

job performance. Within available resources, the interests and desires of each employee may influence the type and amount of developmental training. (See Chapter NRC 4150, Employee Development and Training.)

2. Training in Performance Appraisal for Managers, Supervisors and Employees.

- a. Training will be provided to NRC supervisors and management officials on the NRC Non-SES Performance Appraisal System, particularly on:
 - (1) the principles of performance appraisal and the relationship of performance appraisal to effective personnel management, including its relationship to training, pay, awards, career promotion, and employee discipline.
 - (2) how to write effective performance plans.
- b. Supervisors, in turn, shall provide information and offer training as they deem appropriate, to employees under their supervision.

K. RECORDS

1. Employee Performance File (EPF). The records of the NRC Non-SES Performance Appraisal System are maintained in the EPF.
2. Contents. The EPF will contain documents such as the original appraisal (Form NRC 412), the original Performance Improvement Requirement Memorandum (PIRM) (as appropriate), and other official performance-related documents.
3. Maintenance. The Director, Division of Organization and Personnel, shall maintain and purge, as appropriate, an EPF for each employee given an appraisal under this Appraisal System in Headquarters and in the Region(s) without delegated personnel authority. Regional Offices with delegated personnel authority are responsible for maintaining the EPF for non-SES employees in their Regions in accordance with this directive. The files will be maintained in accordance with provisions of the Privacy Act and the NRC System of Records Notice (NRC-22). They will be maintained separately from the Official Personnel Folder (OPF), and will not contain any duplicate OPF material.
4. Retention for 3 Years. Each document in the EPF will be retained by NRC for 3 years from its effective date except when earlier removal is required by this chapter or by administrative or judicial proceedings. Each document normally will be destroyed at the end of 3 years.
5. Disposition of Records. When the OPF of an employee is sent to another servicing office within NRC, to another agency, or to the

National Personnel Records Center, the servicing personnel office shall include in the OPF all performance ratings of record that are 3 years old or less, including the performance plan on which the most recent rating of record was based and any summary rating written when the employee changed positions as described in Part I, C.2. and 3. of this Appendix.

6. Access. Access to EPF records is governed by the provisions of the Privacy Act of 1974 and NRC regulations (see NRC 0204, "Privacy Act").

L. PROCESSING FORM NRC 412

1. Establishing the Performance Plan.

Performance plans are documented on Form NRC 412 whenever an employee begins a new appraisal period, changes positions, or enters on a detail or temporary promotion expected to last more than 120 calendar days. The plan is effective when the employee receives it regardless of whether the employee signs the Form or not (see B.11.c above). The dates of the period of time the employee is to be appraised will be reflected on the form. (The employee's signature and date on the Form will show when he/she actually received the Form.) The employee should receive the plan normally within 30 calendar days from the effective date of the action requiring the plan. The original of the approved Form is kept by the rating official or a higher level official as desired by the organization. Copies are given to the employee.

2. After the Rating. After an employee has been rated and the rating is reviewed and approved, the original Form NRC 412 will be given to the servicing personnel office for inclusion in the EPF. A copy will be given to the employee.
3. Distribution of Summary Ratings. At the time an employee changes position (Part I, C.2.) or leaves a position to which detailed or temporarily promoted (Part I, C.3.), the supervisor of the position from which the employee is leaving is required to give a summary rating and give the original to the servicing personnel office. A copy will be given to the employee and to the rating official who will give the employee his/her next rating of record.

EXHIBIT A

SCALE OF AWARDS FOR PERFORMANCE AWARDS

(The Availability of These Awards is Subject to Funding Constraints)

Bargaining Unit Employees

| <u>GG Grade</u> | <u>Award Range</u> |
|-----------------|--------------------|
| 1 - 4 | \$100 - \$150 |
| 5 - 8 | \$140 - \$200 |
| 9 - 11 | \$200 - \$250 |
| 12 - 13 | \$250 - \$300 |
| 14 - 18 | \$300 - \$350 |

Application of the scale to a position not under the NRC GG schedule shall be made by comparing the annual entrance pay for the grade. For a Wage Position, the annual entrance pay is determined by multiplying the entrance hourly rate by 2087. An exception from the scale may be made only in a unique case of unusual merit and when the reason therefore is documented and approved by the Executive Director for Operations.

Nonbargaining Unit Employees

| <u>Performance Appraisal Summary Rating</u> | <u>Amount of Award*</u> |
|---|--------------------------|
| Outstanding | Up to 15% of base salary |
| Excellent | Up to 10% of base salary |

In determining the percentage of base salary to be used, consideration should be given to the difficulty of job, caliber of performance plan, recent promotions, and relative cash values of the award compared with other monetary recognition. Lower percentages of base salary would be appropriate in most instances.

*For dollars amounts exceeding \$2,000, see 4151-03.